

George Orwell warned us about the use of “meaningless words” in politics, words that are endlessly repeated by sloganeering politicians until they have no meaning at all. Meaningless words certainly were on display during last week’s congressional debate over the latest tax bill.

Over and over again we heard trite, empty phrases like “tax cuts for the wealthiest 2%,” “tax giveaways,” “tax earmarks,” and “borrowing money to give to millionaires.” Time and time again the same falsehoods were presented as fact, and reported as such by a credulous media.

But all of these clichés about taxes are based on the presumption that government has a right to all of your income, and so government “gives” you something when it allows you to keep a portion of that income. To this mindset, tax cuts represent a “cost” to government. After all, they argue, money that really ought to go to the most noble of purposes-- wealth redistribution via taxation--is being kept by greedy people and corporations who just don’t want to pay their fair share.

Far too many Americans truly believe that tax cuts represent a government giveaway, indistinguishable from an outright subsidy or entitlement payment. To combat this mindset, we need to be clear with our language.

A subsidy, properly understood, occurs when government takes tax dollars and gives them to favored individuals, companies, or industries. A tax cut, by contrast, simply means government takes less from an individual, company, or industry. When government takes less from you, it has not given you anything; it merely has harmed you less. This is the critical distinction that has been lost in the endless, tired debate about tax policy.

Of course the bill passed last week did contain some actual spending, mostly in the form of an extension of unemployment benefits for another 13 months. The total spending in the bill amounted to about \$60 billion. But the tax savings in the bill, meaning the amount of money that will remain in the hands of taxpayers rather than being sent to Washington, is approximately \$850 billion. So while a clean tax bill certainly would have been preferable, the tax relief it contains is significant. It means \$850 billion will be spent, saved, or invested by American citizens rather than being sent into the black hole known as the federal treasury.

The media, however, dutifully reported that opposition to the bill came from concerned members of Congress who felt the \$850 billion “cost” of the bill was too high, and would add too much to the deficit. As always, they could not distinguish between government giving and government taking away. The American people already pay plenty in federal taxes; the deficit is the result of a spending problem, not a revenue problem.

Had the bill not passed, millions of Americans would have seen their paychecks shrink in January due to increased tax withholding. That is the plain and simple truth, and that is why I voted for the bill.